

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

PUBLIC SERVICES –PORT DEPARTMENT - Kakinada Port Project – C1 and C2 contracts - Variation of price on Insurance against item 1 of section 3 of BOQ of C1 contract and item I of Section 5 of BOQ of contract C2 – Reference to Arbitration and disciplinary action against Sri N.P.Ramakrishna Reddy, the then Chief Engineer (Ports), Kakinada Port, now Special Secretary to Government, Animal Husbandry, Dairy Development and Fisheries Dept. – Further action dropped - Orders - Issued - Reg.

INFRASTRUCTURE AND INVESTMENT (PORTS.II) DEPARTMENT

G.O.Rt.No. 314

Dated:06-12-2008
Read the following

- 1) G.O.Rt.No.604, Transport, Roads & Buildings (Vig.1) Dept.,
Dated 23.5.2007.
- 2) From Sri N.P.Ramakrishna Reddy, Spl. Secretary to Govt., Animal
Husbandry, Dairy Development and Fisheries Dept., explanation
Dt.14.8.2007.
- 3) From the Director of Ports (FAC), Kakinada, Lr.No.A1/225/2007, Dated
16.10.2008.

ORDER:

In the reference 1st read above, the following two charges were framed against Sri N.P.Ramakrishna Reddy, the then Chief Engineer (Ports), Kakinada Port, now Special Secretary to Government, Animal Husbandry, Dairy Development and Fisheries Dept., for the irregularities committed for non-referring the matter relating to Variation of Price (VoP) on insurance against item-1 of Section 3 of BOQ of Contract C1 and C2 to Arbitration in time.

Charge-1: Sri N.P.Ramakrishna Reddy, while working as Chief Engineer (Ports), Kakinada Port, presently working as Special Secretary to Government, Animal Husbandry, Dairy Development and Fisheries Dept., Secretariat, has directly corresponded with the Government without the knowledge of the Special Commissioner, Ports & Director of Ports, which is a grave irregularity. Even though C1 Contract decision has become binding after 20 days of its communication, the Chief Engineer could have communicated his decision to go in for arbitration and its conveyance to contractor has the intervening period. He has not referred the matter to the Arbitrator in time adopting the logic of the Accountant General and thereby causing financial loss to the Government.

Charge-II: That Sri N.P.Ramakrishna Reddy, while working as Chief Engineer, (Ports), Kakinada Port, presently working as Special Secretary to Government, Animal Husbandry, Dairy Development and Fisheries Dept., Secretariat, acted in a manner which placed his official position under embarrassment and acted without of administrative propriety and he has not taken timely action in referring the matter to Arbitrator and dodged the issue giving scope to the Contractor to claim interest. Thus, he has violated Rule of A.P. Civil Service (Conduct) Rules, 1964.

2. Sri N.P.Ramakrishna Reddy, the then Chief Engineer, (Ports), Kakinada Port, now Special Secretary to Government, Animal Husbandry, Dairy Development and Fisheries Dept., Secretariat in his reply in the reference 2nd read above has stated that he has not made any correspondence with the Government on administrative matters directly and as a Chief Engineer he got to take certain decisions during the construction of the project in the interest of Project and also to safeguard Government interest. One such decision, not to make payment to C-1 Contractor for Rs.18.00 lakhs relating to Variation of Price (VoP) on Insurance item as this item can not be paid though it was covered under payable items, he has taken such a

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decision not to make payment of Rs.18.00 lakhs to the Contractor and did not ask the contractor to go for Arbitration. He has also stated that though his successor Chief Engineer asked the C-1 Contractor to go for Arbitration in 1998, the Contractor has not gone for Arbitration and did not claim for the payment of Rs.18.00 lakhs during last 9 years which is barred by Limitation Act for any claim by the Contractor in future. Therefore, the scope of payment of interest on Rs.18.00 lakhs does not arise. More over, as per the Law of Limitation, no contractor can claim under any suit after 3 years of expiry of its due date. He has also ordered for recovery of Rs.21.00 lakhs paid by the Executive Engineer to the C-2 contractor towards variation of Price (VoP) on Insurance item. Thus he has stated that there is no loss caused to Government due to his decisions and saved Rs.18.00 lakhs in C-1 Contract and Rs.21.00 lakhs in C-2 Contract to Government towards Variation of Price (VoP) on Insurance and therefore requested to drop further action against him in the case.

3. The Director of Ports, in the reference 3rd read above, has reported that whenever any payments are due to the contractor and if there was any delay in making payments, they did not pay interest to the contractor for the delayed period. Similarly, whenever any excess payments made erroneously to the contractor are to be recovered from the contractor found due to self audit or audit objection no interest would be recovered from contractor for the intervening period payment to the date of recovery. Therefore, the Director of Ports, Kakinada has stated that fixing responsibility for interest recovery may not arise.

4. In view of the above position, Government after considering the explanation submitted by the Sri N.P.Ramakrishna Reddy, the then, Chief Engineer, (Ports), Kakinada Port, now Special Secretary to Government, Animal Husbandry, Dairy Development and Fisheries Dept., Secretariat as well as the remarks of the Director of Ports, Kakinada, came to conclusion that there is no loss caused due to the actions/decisions of Sri N.P.Ramakrishna Reddy, while working as Chief Engineer, (Ports), Kakinada Port, presently working as Special Secretary to Government, Animal Husbandry, Dairy Development and Fisheries Dept., Secretariat in C-1 and C-2 Contracts and safeguarded the Government interest by ordering not to make payment of Variation of Price (VoP) on Insurance in C-1 Contract and by further ordering for recovery of Variation of Price (VoP) on Insurance paid by the Executive Engineer in C-2 Contract., hereby order that further action against the officer is dropped.

5. The Director of Ports, Kakinada is therefore, directed to take necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MANMOHAN SINGH
SECRETARY TO GOVERNMENT

To
Sri N.P.Ramakrishna Reddy, Chief Engineer, (Ports), Kakinada Port, now Secretary to Government, Animal Husbandry, Dairy Development and Fisheries Dept., Secretariat
(Through Director of Ports, Kakinada)
The Director of Ports, Kakinada.

Copy to: the AHDD& F (OP) Dept.

// Forwarded :: By Order //

SECTION OFFICER